

Content

A	Management Board Report of KONČAR Inc.	.4
В	Unaudited Consolidated Financial Statements of KONČAR Group, January – June 2025	L4
С	Management's Statement of Responsibility	29

performance

Sales revenue

Export

Backlog

+27.9%

Book-to-bill ratio

A Report of the Management Board



Statement by Mr. Gordan Kolak, MSc, President of the Management Board

KONČAR Group continued to deliver exceptional results in the second quarter of 2025, achieving strong performance across all segments. This marked another robust quarter, characterised by a significant increase in order intake, while revenue growth enabled record-high profitability and margins.

The strategic and organisational transformations implemented over the past years have enabled KONČAR to operate with enhanced synergy, positioning the Group as a strong, export-oriented brand. We successfully identified and capitalised on the extraordinary opportunities presented by the green transition and digital transformation. These megatrends have driven a surge in energy infrastructure investments, particularly across Europe, increasing demand for the equipment and solutions at the heart of KONČAR's core business.

In the Power Transmission and Distribution segment, key KONČAR Group entities, including KONČAR – Distribution and Special Transformers, KONČAR – Instrument Transformers, and the Dalekovod Group, maintained their strong growth trajectory, underpinned by continued operational excellence and high demand. In the Urban Mobility and Infrastructure segment, implementation

is underway on several contracts for the delivery of trains and trams. Our long-term partnership with HŽ Passenger Transport was further reinforced with the signing of contracts worth EUR 117.9 million, covering the delivery of five electro-diesel trains, four battery-electric multiple units, and four battery-powered trains, and two charging stations. Developed entirely in-house and designed for non-electrified rail routes, these battery-powered trains mark a pivotal step forward in sustainable transport and technological leadership within Croatia's industrial landscape. As one of the central enablers of KONČAR's long-term competitiveness, digital transformation remains a strategic imperative. Investment in this area continues at full pace and remains among our top priorities.

The strong order intake in the first half of 2025, reflected in a book-to-bill ratio of 1.4, pushed the Group's order backlog to EUR 2.3 billion. Revenue for 2025 is already fully secured through the existing backlog, and we anticipate exceeding planned performance. For 2026 and the following years, KONČAR has contracted EUR 1.6 billion in orders to date, with a robust sales pipeline expected to further expand this volume, particularly in international markets.

Consolidated sales revenue remained on a strong growth path, reaching EUR 636.8 million in H1 2025 - a year-on-year increase of EUR 158.1 million, or 33%. Exports contributed 71.5% to total sales.

Sustained revenue growth and agile business adaptation have driven meaningful improvements across all key profitability metrics. Net profit rose to EUR 129.2 million in H1 2025, an increase of EUR 55.4 million year-on-year. The net margin improved by 4.9 percentage points to 20.3%. EBITDA reached EUR 139.5 million, a rise of EUR 49.0 million, while the EBITDA margin expanded by 3.0 percentage points to 21.9%.

Capital investments, which reached EUR 34.1 million in H1 2025, nearly doubling year-on-year, are reinforcing the Group's technological base and long-term competitiveness. A major highlight was the groundbreaking of a new state-of-the-art testing laboratory for large electric drives and machines in Bedekovčina, a flagship investment that will serve both KONČAR – Electrical Engineering Institute and the KONČAR Group. The lab will support validation of next-generation power technologies aligned with the green energy transition and position us alongside leading international facilities.

Amid rising geopolitical, economic, and trade uncertainties, as well as ongoing global conflicts, the global business environment remains complex and unpredictable. Nonetheless, we are confident in KONČAR's resilience and its capacity to sustain growth. The Group remains firmly positioned as one of the key pillars of the Croatian economy.

Gordan Kolak, MSc. Eng. President of the Management Board

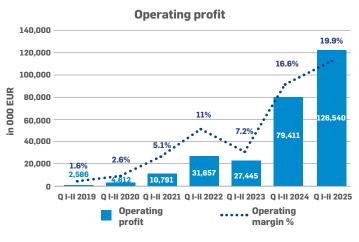
KONČAR GROUP KEY PERFORMANCE INDICATORS JANUARY - JUNE 2025

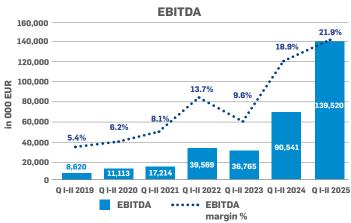
Business performance indicators

In EUR 000	Q I-II 2024	Q I-II 2025	Δ	2025/2024
Operating Income	486,325	643,305	156,980	132.3
Sales revenue – total	478,693	636,750	158,057	133.0
Sales revenue – export	351,348	455,274	103,926	129.6
Operating Expenses	406,914	516,765	109,851	127.0
Operating Profit	79,411	126,540	47,129	159.3
Operating margin	16.6%	19.9%		
Normalised operating profit	76,951	124,466	47,515	161.7
Normalised operating margin	16.1%	19.5%		
Net profit	73,791	129,238	55,447	175.1
Net margin	15.4%	20.3%		
Normalised net profit	71,331	127,164	55,833	178.3
Normalised net margin	14.9%	20.0%		
Depreciation and amortisation	11,130	12,980	1,850	116.6
EBITDA	90,541	139,520	48,979	154.1
EBITDA margin	18.9%	21.9%		
Normalised EBITDA ¹	88,081	137,446	49,365	156.0
Normalised EBITDA margin ¹	18.4%	21.6%		
Order intake	866,212	916,651	50,439	105.8
Backlog ²	1,810,057	2,315,473	505,416	127.9
Book-to-bill ratio	1.8	1.4		

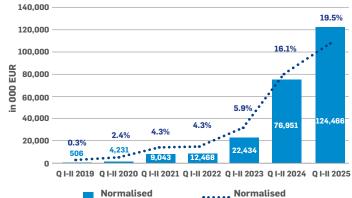
Normalised EBITDA: EBITDA adjusted for the net effect of provisioning, gains on the sale of assets, income from damage compensation, and increased by impairment of non-current and current assets.

Backlog 2: as at 30 June 2024 and 30 June 2025

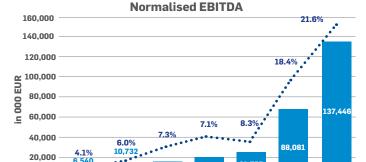








operating profit

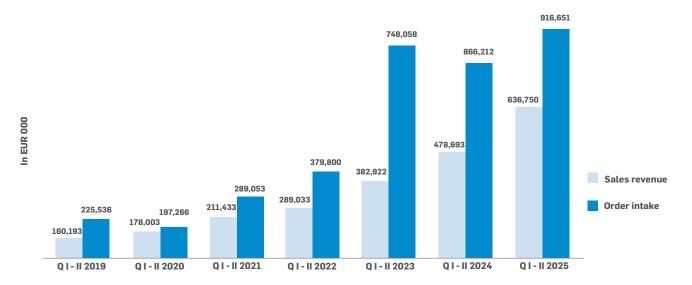


QI-II 2019 QI-II 2020 QI-II 2021 QI-II 2022 QI-II 2023 QI-II 2024 QI-II 2025

Normalised EBITDA •••••• Normalised EBITDA

operating margin %

Order intake / Sales revenue



Statement of profit or loss

The consolidated results of the KONČAR Group for the first half of 2025 significantly exceeded those recorded in the same period of the previous year.

Consolidated operating income for H1 2025 totalled EUR 643.3 million, representing an increase of EUR 157.0 million or 32.3% compared to the corresponding period in 2024.

Consolidated revenue from sales of products and services amounted to EUR 636.8 million, an increase of EUR 158.1 million or 33.0% compared to the period January – June 2024.

Other operating income reached EUR 6.6 million, which is EUR 1.1 million lower than in H1 2024. These revenues primarily relate to one-off items such as income from asset disposals, government grants, compensation for damages, and other income.

Operating expenses amounted to EUR 516.8 million, representing a 27.0% increase compared to H1 2024.

The largest component of operating expenses was material costs, which include raw materials and supplies, cost of goods sold, and other external costs. These totalled EUR 363.6 million, an increase of EUR 72.6 million year-on-year. The share of material costs in adjusted sales revenue was 56.8%, a decrease of 3.0 percentage points compared to the corresponding period of the previous year.

Personnel costs amounted to EUR 108.0 million. As a share of adjusted sales revenue, personnel expenses accounted for 16.9%, representing a decrease of 0.5 percentage points compared to the corresponding period in the previous year. The EUR 23.5 million year-on-year increase in personnel costs primarily reflects a rise in the number of employees, up by 360 compared to H1 2024, as well as higher employee compensation across all Group companies. As at 30 June 2025, the Group employed 5,730 people.

Other operating expenses amounted to EUR 34.4 million, up EUR 8.0 million year-on-year. Other operating expenses primarily relate to employee cost reimbursements and other employee entitlements totalling EUR 17.0 million (an increase of EUR 2.9 million compared to H1 2024), non-production services amounting to EUR 6.0 million, and other expenses amounting to EUR 11.4 million.

Operating profit (EBIT) reached EUR 126.5 million, an increase of EUR 47.1 million or 59.3% compared to H1 2024. EBITDA margin was 19.9% (H1 2024: 16.6%).

Share of profit from associates amounted to EUR 23.4 million, marking an increase of EUR 14.4 million compared to H1 2024.

The net result of financial income and expenses was negative, amounting to EUR 0.3 million.

Total consolidated income generated by the Group amounted to EUR 668.8 million, which is EUR 170.9 million or 34.3% higher compared to total income realised in H1 2024. Operating profit stood at EUR 126.5 million, while the net financial result was negative at EUR 0.3 million. The share in profit of associated parties amounted to EUR 23.4 million, resulting in a consolidated profit before tax of EUR 149.6 million. Estimated corporate income tax amounted to EUR 20.4 million.

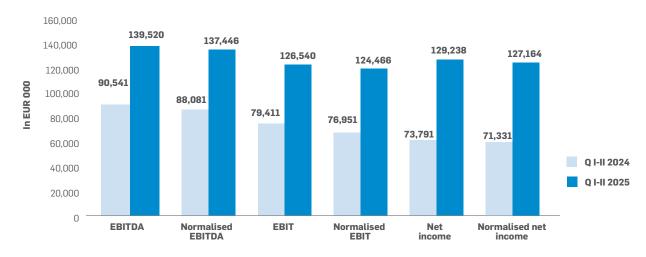
Net profit for the first half of 2025 totalled EUR 129.2 million, representing a year-on-year increase of EUR 55.4 million or 75.1% compared to the corresponding period in 2024.

EBITDA amounted to EUR 139.5 million, an increase of EUR 49.0 million compared to EBITDA achieved in H1 2024. EBITDA margin was 21.9% (H1 2024: 18.9%).

Normalised figures for the first half of 2025 are broadly in line with the reported results. No significant one-off items were recorded during the reporting period that would materially affect normalised performance.

In EUR 000	Q I-II 2024	Q I-II 2025	Δ	2025/2024
OPERATING INCOME	486,325	643,305	156,980	132.3
OPERATING EXPENSES	406,914	516,765	109,851	127.0
Material costs and change in value of inventories	283,535	360,639	77,104	127.2
Staff costs	84,537	108,016	23,479	127.8
Depreciation and amortisation	11,130	12,980	1,850	116.6
Other costs	27,471	36,156	8,685	131.6
Value adjustment of non-current and current assets	241	-8	-249	-3.3
Provisions		-1,018	-1,018	
OPERATING PROFIT	79,411	126,540	47,129	159.3
SHARE IN PROFIT OF ASSOCIATED PARTIES	8,931	23,365	14,434	261.6
SHARE IN LOSS OF ASSOCIATED PARTIES	10	19	9	190.0
FINANCE INCOME	2,636	2,147	-489	81.4
FINANCE COSTS	2,619	2,423	-196	92.5
TOTAL INCOME	497,892	668,817	170,925	134.3
TOTAL EXPENSES	409,543	519,207	109,664	126.8
Profit before tax	88,349	149,610	61,261	169.3
Income tax	14,558	20,372	5,814	139.9
PROFIT FOR THE PERIOD	73,791	129,238	55,447	175.1

Profitability trend



Net Debt

In EUR 000	31 December 2024	30 June 2025	Δ
Liabilities for loans	1	0	-1
Liabilities to banks and financial institutions	29,043	41,703	12,660
Lease liabilities – future payments	461	1,018	557
Non-current liabilities	29,505	42,721	13,216
Liabilities for loans and to banks and financial institutions	41,358	54,334	12,976
Interest liabilities	207	192	-15
Lease liabilities – future payments	280	352	72
Current liabilities	41,845	54,878	13,033
TOTAL DEBT	71,350	97,599	26,249
Cash and cash equivalents	147,964	180,015	32,051
Current financial assets	80,666	111,757	31,091
NET DEBT	-157,280	-194,173	-36,893
Net debt / normalized EBITDA	neg	neg	

Summarised Statement of Financial Position

In EUR 000	31 December 2024	30 June 2025	Δ
Non-current assets	366,115	420,957	54,842
Current assets	881,517	944,806	63,289
Assets	1,247,632	1,365,763	118,131
Capital and reserves	650,053	751,781	101,728
Non-current liabilities	66.380	76.371	9.991
Current liabilities	531.199	537.611	6.412
Total equity and liabilities	1.247.632	1.365.763	118.131

In EUR 000	31 December 2024	30 June 2025	Δ
Current assets	881,517	944,806	63,289
Current liabilities	531,199	537,611	6,412
Current Assets to Current Liabilities Ratio	1.7	1.8	

Financial position

Key features of the balance sheet as at 30 June 2025

The total consolidated assets and sources of funding as at 30 June 2025 of the KONČAR Group amounted to EUR 1,365.8 million, representing an increase of EUR 118.1 million or 9.5% compared to 31 December 2024.

Non-current assets stood at EUR 421.0 million, accounting for 30.8% of total assets. Compared to year-end 2024, there was an increase in property, plant and equipment, intangible assets, non-current financial assets, and receivables, while deferred tax assets declined. The increase in property, plant and equipment of EUR 34.7 million was primarily driven by a EUR 19.6 million rise in assets under construction across several subsidiaries (notably related to the expansion of production capacity and new facility construction). Additionally, land assets grew by EUR 7.2 million, while tools, operating inventory, and transport equipment increased by EUR 6.7 million, reflecting continued capital investment.

Non-current financial assets amounted to EUR 75.3 million, up EUR 17.6 million mainly due to a reduction in long-term loans (reclassification of long-term into short-term loans) and an increase in equity investments measured using the equity method.

Current assets totalled EUR 944.8 million, marking an increase of EUR 63.3 million from 31 December 2024 and representing 69.2% of total assets. The rise in current assets was mainly attributable to higher cash balances, short-term financial assets, and inventories, while receivables and prepaid expenses and accured income declined.

Compared to 31 December 2024:

- · Inventories amounted to EUR 247.5 million, reflecting an increase of EUR 10.8 million. This growth is attributable to higher values of raw materials and supplies, semi-finished and finished goods, and advances for inventories, while work in progress, merchandise, and assets held for sale decreased.
- · Total current receivables declined by EUR 7.8 million. Trade receivables increased by EUR 13.5 million. Receivables from companies linked by virtue of participating interests decreased by EUR 20.7 million. Receivables from the state decreased by EUR 3.1 million, while receivables from employees and company members rose by EUR 0.2 million. Other receivables grew by EUR 2.3 million.
- · Current financial assets increased by EUR 31.1 million, primarily due to higher deposits with maturities over three months and up to one year, and the acquisition of treasury bills by a subsidiary.
- Prepaid expenses and accrued income as at 30 June 2025 amounted to EUR 6.7 million, marking a decrease of EUR 3.0 million.
- · Cash and cash equivalents held by KONČAR Group as at 30 June 2025 amounted to EUR 180.0 million, representing an increase of EUR 32.1 million. The rise in cash was largely driven by a positive cash flow from operating activities, which totalled EUR 72.2 million in H1 2025. Cash flow from financing activities was also positive at EUR 2.9 million, while cash flow from investing activities was negative at EUR 42.8 million, mainly due to increased capital expenditures (CAPEX of EUR 34.1 million) and disbursements related to the acquisition of financial instruments (i.e., treasury bills).

On the liabilities and equity side as at 30 June 2025, compared to 31 December 2024:

- · Total equity and reserves of the Group amounted to EUR 751.8 million, up EUR 101.7 million. This increase was primarily driven by the net profit generated in the first half of 2025.
- Non-current provisions amounted to EUR 27.5 million, representing a decrease of EUR 0.4 million.
- · Non-current liabilities stood at EUR 48.8 million, increasing by EUR 10.4 million, largely due to a rise in liabilities to banks and other financial institutions (for investment activities).
- · Current liabilities totalled EUR 488.9 million, EUR 4.8 million higher than at year-end 2024. Within the current liabilities structure: Liabilities to banks and other financial institutions rose by EUR 14.3 million, Liabilities for taxes, contributions, and similar charges increased by EUR 4.4 million, Employee-related liabilities were up EUR 2.5 million, Liabilities for advances received declined by EUR 12.2 million, and Trade payables were down EUR 8.6 million.
- · Accrued expenses and deferred income amounted to EUR 48.7 million, an increase of EUR 1.7 million.

Within the structure of liabilities and equity on the balance sheet, subscribed capital, reserves, retained earnings, current year profit, and equity attributable to non-controlling interests amounted to EUR 751.8 million, representing 55.0% of the Group's total sources of funding. Non-current provisions totalled EUR 27.5 million, accounting for 2.0% of total sources. Total non-current and current liabilities amounted to EUR 537.7 million, making up 39.4% of total funding sources. Within current liabilities advances received amounted to EUR 213.8 million or 15.7% of total sources, and trade payables stood at EUR 140.3 million, accounting for 10.3%. Total liabilities to banks (both current and non-current) amounted to EUR 75.6 million, an increase of EUR 25.4 million compared to 31 December 2024, and accounted for 5.5% of total sources.

Off-balance sheet items (contingent liabilities) as at 30 June 2025 amounted to EUR 1,335.0 million, an increase of EUR 102.7 million compared to 31 December 2024. These primarily relate to issued financial instruments such as guarantees, sureties, and promissory notes.

The total amount of current assets and prepaid expenses exceeds the total of current liabilities and deferred income by a factor of 1.8, indicating a sound liquidity position. The structure of the consolidated balance sheet reflects a strong alignment between capital sources and investments, underscoring the KONČAR Group's robust financial stability.

Market Position

In the first half of 2025, KONČAR Group generated consolidated revenue from the sale of goods and services amounting to EUR 636.8 million, marking a year-on-year increase of EUR 158.1 million or 33.0%.

Performance on the domestic market also improved year-on-year, with revenue from sales reaching EUR 181.5 million, an increase of EUR 54.1 million, or 42.5%, compared to H1 2024. This growth was largely driven by higher sales to key customers, including HEP Group, Zagreb Electric Tram (ZET), and Osijek Municipal Transport (GPP). The domestic market accounted for 28.5% of the Group's total sales revenue, up 1.9 percentage points compared to the same period last year.

Within the domestic sales structure, the most significant share derived from the sale of products and services to companies within the HEP Group or its affiliated suppliers. Revenue from sales to HEP totalled EUR 82.8 million in the first half of 2025, a year-on-year increase of EUR 36.2 million or 77.8% representing 13% of the Group's total revenue.

Sales to HŽ Passenger Transport, HŽ Infrastructure, Technical Rail Vehicle Services, and HŽ Cargo amounted to EUR 27.3 million, or 4.3% of consolidated revenue.

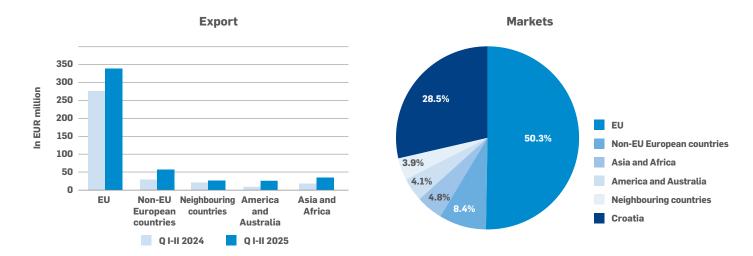
Additionally, revenue of EUR 16.6 million from ZET and EUR 12.3 million from GPP Osijek reflects the commencement of deliveries of newly developed low-floor trams for both cities.

Export sales of goods and services accounted for 71.5% of total sales revenue, compared to 73.4% in the corresponding period last year. Total export revenue amounted to EUR 455.3 million, representing an increase of EUR 103.9 million or 29.6% year-on-year.

Compared to the corresponding period in the previous year, the most substantial absolute increase in export revenue from the sale of goods and services was recorded in the European Union market, with exports rising by EUR 54.8 million, or 20.7%. Export sales to EU countries amounted to EUR 320.4 million, representing 70.4% of the KONČAR Group's total export revenue.

At the individual country level, the largest export market was Germany, with sales amounting to EUR 98.2 million, representing 21.6% of total exports and up EUR 42.1 million from H1 2024. Exports to Sweden totalled EUR 67.6 million, or 14.9% of overall exports, while Norway accounted for EUR 35.0 million, or 7.7% of total exports.

All reportable divisions recorded revenue growth compared to the first half of 2024. The strongest increase was achieved in the Power transmission and distribution division, with revenue reaching EUR 528.7 million, up EUR 134.2 million year-on-year.

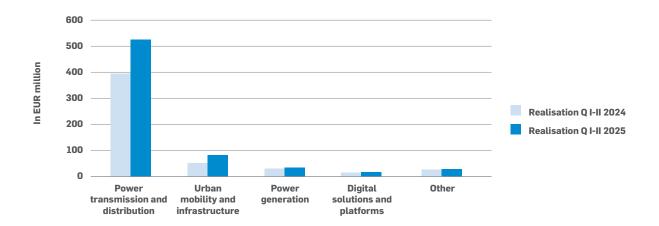


Revenue by Divisions

in EUR 000

Division	Q I - II 2024	Share in total	Q I - II 2025	Share in total	Δ	Index 2024/2025
Power Generation	36,450	7.0%	44,197	6.3%	7,746	121.3
Hydro	26,632		36,432			
Renewable Energy Sources	9,819		7,764			
Power Transmission and Distribution	394,536	75.5%	528,691	75.4%	134,155	134.0
Transmission	132,810		189,788			
Distribution	261,726		338,903			
Urban Mobility and Infrastructure	54,995	10.5%	81,753	11.7%	26,758	148.7
Mobility	37,047		50,651			
Infrastructure	17,948		31,102			
Digital Solutions and Platforms	11,323	2.2%	17,940	2.6%	6,617	158.4
Other	25,260		28,416			
Total sales revenue (non-consolidated)	522,564	100%	700,996	100.0%		
Elimination of intercompany transactions	-43,871		-64,247			
Total sales revenue (consolidated)	478,693		636,750			

Revenue by Divisions



Order intake and backlog

In H1 2025, the volume of order intake continued to outpace revenue realisation, contributing to further growth of the backlog and providing a solid platform for sustained future revenue streams.

During the January – June 2025 period, KONČAR Group companies recorded an order intake of EUR 916.7 million.

The book-to-bill ratio for H1 2025 stood at 1.4.

International markets remained the principal driver of new business growth, with export-related contracts totalling EUR 583.4 million, accounting for 63.6% of total order intake.

Order intake on the domestic market totalled EUR 333.3 million in H1 2025, up EUR 169.2 year-on-year. The majority of this growth was driven by contracts with the HEP Group, which amounted to EUR 127.4 million and accounted for 13.9% of the Group's total order intake. A key milestone in the second quarter was the award of two significant contracts by HŽ Passenger Transport, valued at a total of EUR 117.9 million. The scope of supply includes five electro-diesel trains, four battery-electric multiple units, and four battery-powered trains. The contracts also encompass the delivery and commissioning of two fixed charging stations for traction batteries across Croatia's rail network. Cumulatively, contracts secured with HŽ Group companies in the first half of 2025 amounted to EUR 122.0 million, representing 13.3% of total order intake.

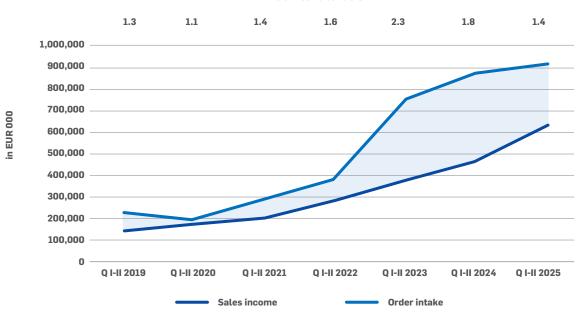
Of the total international order intake of EUR 583.4 million in H1 2025, the majority, EUR 426.4 million, or 73.1%, was once again attributed to contracts secured in European Union markets. Meanwhile, contract volumes in Asia and Africa saw a notable upswing, with order intake exceeding the prior-year period by EUR 25.3 million.

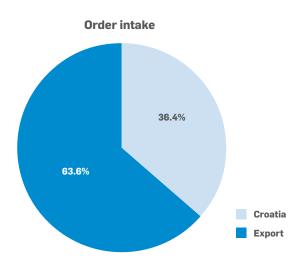
On a country-by-country basis, the most significant amounts continue to relate to the German market, where new contracts were signed in the amount of EUR 111.1 million, and the Swedish market in the amount of EUR 101.8 million.

In line with contracted delivery timelines, the majority of orders are scheduled for execution in subsequent years after 2026. Specifically, EUR 373.3 million, or 40.7% of total order intake in the first half of 2025. Orders contracted for execution in 2026 amount to EUR 285.5 million (31.1%), while EUR 257.9 million (28.1%) is scheduled for delivery within the course of 2025.

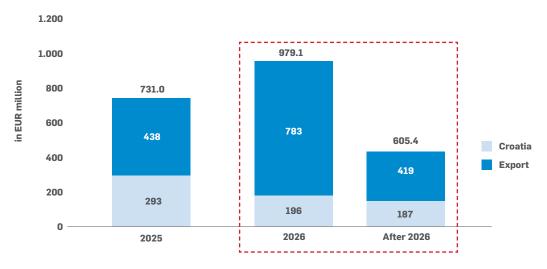
As at 30 June 2025, the backlog stood at EUR 2,315.5 million, an increase of EUR 505.4 million or 27.9% compared to the same date in 2024. Relative to year-end 2024, the backlog rose by 13.8%.

Book-to-bill ratio





Expected revenue from backlog



Information for Shareholders

KOEI-R-A	30 June 2024	30 June 2025	Index
Last price (EUR)	260	530	203.8
Highest price (EUR)	274	565	206.2
Lowest price (EUR)	146	424	290.4
Volume	83,451	154,853	185.6
Turnover (EUR)	17,757,871	76,047,474	428.2
Market capitalization (EUR)	661,996,400	1,350,662,070	204.0
EPS (Earnings per Share) (profit attributable to the parent company's owners / weighted average number of shares)	16.24	33.91	208.8

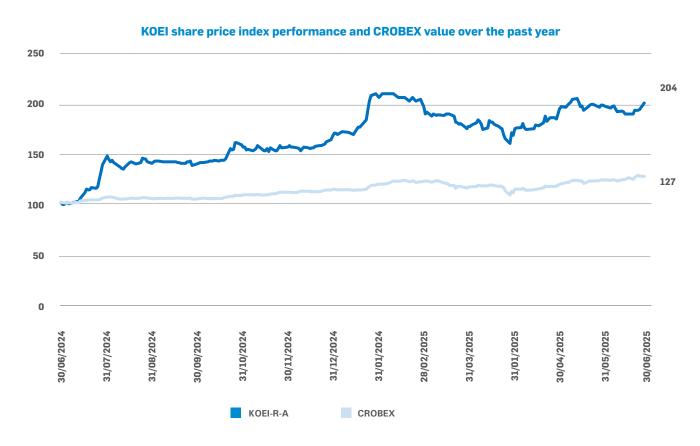
The shares of KONČAR Inc. are listed on the Official Market of the Zagreb Stock Exchange. The shares are marked with the 'KOEI-R-A' symbol. In accordance with applicable regulations, the Company ensures regular access to information on its operations and activities and information on any facts and circumstances that may influence the share price (price sensitive information).

KONČAR's share is one of the most actively traded stocks on the Zagreb Stock Exchange, supported by a strong upward trend in price. The turnover of KOEI-R-A share is several times higher than the turnover achieved in the same period last year. The average share price is more than twice as high as in the same period last year. It reached a record price in January 2025, when the value amounted to EUR 565.00.

As at the end of June 2025, the market capitalisation stood at EUR 1,350.7 million, representing an increase of EUR 689.00 million which is twice as much compared to 30 June 2024.

Earnings per share attributable to the parent company's owners for H1 2025 amounted to EUR 33.91, representing an increase of 108.8% year-on-year.

At the General Assembly held on 12 June 2025, the shareholders approved a dividend of EUR 3.0 per share, among other agenda items.



Unaudited consolidated financial statements of KONČAR Group for January - June 2025 B

Annex 1

Reporting period:	1/1/2025	to	30/6/2025	
Year:	2025	Quarter:	2	
Quarterly financial statements				
Registration number (MB):	03282635		Issuer's home Member Sta	ite code: HR
Entity's registration number (MBS):	080040936		issuel s'home Member Ste	ite code. TIK
Personal identification number (OIB):	45050126417		LEI: 74780000HOSHMR	AW0115
Institution code:	501		LLI. 7470000110311MK	AWOIIS
Name of the issuer:	KONČAR Inc.			
Postcode and town:	10000		ZAGREB	
Street and house number:	FALLEROVO ŠETALIŠT	F 22	ZAONED	
E-mail address:	koncar.finance@konca			
Web address:	www.koncar.hr	•••••		
Number of employees (end of the reporting period):	5730			
Consolidated report:	KD		(KN-not consolidated/KD-	consolidated)
Audited:	RN		(RN-not audited/RD-audite	
·			, at the dadresd/ND dadres	,
Names of subsidiaries (according to IFRS):			Registered office:	MB:
KONČAR - Electrical Engineering Institute Ltd. for r	esearch, development and	d services	Zagreb	3645363
KONČAR - Electronics and Informatics Ltd. for prod	luction and services		Zagreb	3282899
KONČAR - Motors and Electrical Systems Ltd. for p	roduction		Zagreb	3282678
KONČAR - Generators and Motors Inc. for production	on		Zagreb	1356216
KONČAR - Renewable Energy Sources Ltd. for prod			Zagreb	2435071
KONČAR - Instrument Transformers Inc. for produc	etion		Zagreb	3654656
KONČAR - Distribution and Special Transformers In	c. for manufacturing		Zagreb	3654664
KONČAR - Switchgear Ltd. for production			Zagreb	3641287
KONČAR - Electric Vehicles Inc. for manufacturing			Zagreb	3282660
KONČAR - Metal Structures Ltd. for production			Zagreb	1114328
KONČAR - Digital Ltd. for digital services			Zagreb	5478421
KONČAR - Transformer Tanks Ltd.			Zagreb	5853184
Energetski park Pometeno brdo d.o.o. za proizvodn	ju		Zagreb	5977134
TELENERG-ENGINEERING Llc. for design and manu	facturing		Zagreb	5539684
INK PROJECT Ltd. for construction and services			Zagreb	2057301
KONČAR - Hydro Turbine Ltd. for manufacturing an	d services		Zagreb	6056580
Dalekovod jsc.			Zagreb	3275531
Bookkeeping firm:	No		(Yes/No)	
Contact person:	Marina Markušić		(700)0)	
	(only name and surname	of the contact perso	n)	
Telephone:	01 3667 175			
E-mail address:	marina.markusic@kor	ncar.hr		
Audit firm:	KPMG Ltd. Croatia (name of the audit firm)			
Certified auditor:	Igor Gošek (name and surname)			

BALANCE SHEET balance as at 30.6.2025

Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	366,115,324	420,957,108
I INTANGIBLE ASSETS (ADP 004 to 009)	003	28,658,597	29,137,883
1 Research and development	004	5,460,192	4,933,834
2 Concessions, patents, licences, trademarks, software and other rights	005	7,932,769	7,063,117
3, Goodwill	006	9,551,478	9,551,478
4 Advances for the purchase of intangible assets	007	0	С
5 Intangible assets in preparation	008	5,690,940	7,577,168
6 Other intangible assets	009	23,218	12,286
II TANGIBLE ASSETS (ADP 011 to 019)	010	263,841,828	298,563,663
1 Land	011	42,918,283	50,144,431
2 Buildings	012	79,361,026	81,107,054
3 Plant and equipment	013	78,154,093	77,568,987
4 Tools, working inventory and transportation assets	014	16,778,713	23,466,617
5 Biological assets	015	0	С
6 Advances for the purchase of tangible assets	016	6,829,791	7,591,054
7 Tangible assets in preparation	017	20,346,748	39,973,441
8 Other tangible assets	018	436,483	378,948
9 Investment property	019	19,016,691	18,333,131
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	57,744,346	75,305,600
1 Investments in holdings (shares) of undertakings within the group	021	8,265	8,265
2 Investments in other securities of undertakings within the group	022	0	С
3 Loans, deposits, etc, to undertakings within the group	023	0	С
4 Investments in holdings (shares) of companies linked by virtue of participating interests	024	44,849,705	67,724,101
5 Investment in other securities of companies linked by virtue of participating interests	025	0	С
6 Loans, deposits etc, to companies linked by virtue of participating interests	026	5,725,000	С
7 Investments in securities	027	754,920	834,486
8 Loans, deposits, etc, given	028	1,195,746	1,181,035
9 Other investments accounted for using the equity method	029	4,848,053	5,319,900
10 Other fixed financial assets	030	362,657	237,813
IV RECEIVABLES (ADP 032 to 035)	031	6,053,332	8,615,947
1 Receivables from undertakings within the group	032	0	С
2 Receivables from companies linked by virtue of participating interests	033	0	С
3 Customer receivables	034	924,702	1,810,914
4 Other receivables	035	5,128,630	6,805,033
V DEFERRED TAX ASSETS	036	9,817,221	9,334,015
C) CURRENT ASSETS (ADP 038+046+053+063)	037	871,945,809	938,153,124
I INVENTORIES (ADP 039 to 045)	038	236,683,629	247,499,156
1 Raw materials and consumables	039	121,889,202	130,278,497
2 Work in progress	040	70,717,300	70,615,133
3 Finished goods	041	32,585,272	35,088,599
4 Merchandise	042	4,513,841	2,981,126
5 Advances for inventories	043	6,220,758	8,535,801
6 Fixed assets held for sale	044	757,256	С
7 Biological assets	045	0	C

BALANCE SHEET balance as at 30.6.2025

Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
II RECEIVABLES (ADP 047 to 052)	046	406,669,254	398,882,022
1 Receivables from undertakings within the group	047	0	(
2 Receivables from companies linked by virtue of participating interests	048	24,359,145	3,708,183
3 Customer receivables	049	329,755,317	343,275,764
4 Receivables from employees and members of the undertaking	050	106,674	303,272
5 Receivables from government and other institutions	051	15,940,323	12,800,58
6 Other receivables	052	36,507,795	38,794,216
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	80,628,924	111,757,129
1 Investments in holdings (shares) of undertakings within the group	054	0	(
2 Investments in other securities of undertakings within the group	055	0	(
3 Loans, deposits, etc, to undertakings within the group	056	0	(
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	(
5 Investment in other securities of companies linked by virtue of participating interests	058	0	(
6 Loans, deposits etc, to companies linked by virtue of participating interests	059	0	5,725,000
7 Investments in securities	060	14,927,801	19,921,35
8 Loans, deposits, etc, given	061	65,701,123	85,667,583
9 Other financial assets	062	0	443,19
IV CASH AT BANK AND IN HAND	063	147,964,002	180,014,81
D) PREPAID EXPENSES AND ACCRUED INCOME	064	9,570,497	6,652,354
E) TOTAL ASSETS (ADP 001+002+037+064)	065	1,247,631,630	1,365,762,586
OFF-BALANCE SHEET ITEMS	066	1,232,267,421	1,334,971,276
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+083+086+089)	067	650,053,220	751,780,829
I INITIAL (SUBSCRIBED) CAPITAL	068	159,471,379	159,471,379
II CAPITAL RESERVES	069	1,073,176	1,073,170
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	110,493,918	114,644,309
1 Legal reserves	071	10,572,684	10,770,996
2 Reserves for treasury shares	072	5,998,550	5,965,22
3 Treasury shares and holdings (deductible item)	073	-1,998,550	-1,965,22
4 Statutory reserves	074	67,243,333	67,243,510
5 Other reserves	075	28,677,901	32,629,80
IV REVALUATION RESERVES	076	0	(
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077	757,070	888,334
1 Financial assets at fair value through other comprehensive income (i,e, available for sale)	078	830,229	830,30
2 Cash flow hedge - effective portion	079	0	(
3 Hedge of a net investment in a foreign operation - effective portion	080	0	(
4 Other fair value reserves	081	0	(
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	-73,159	58,033
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	122,979,209	213,969,17
1 Retained profit	084	122,979,209	213,969,17
2 Loss brought forward	085	0	(
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	102,600,368	86,378,50
1 Profit for the business year	087	102,600,368	86,378,503
2 Loss for the business year	088	0	(
	089	152,678,100	175,355,95

BALANCE SHEET balance as at 30.6.2025

ltem	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
		·	
B) PROVISIONS (ADP 091 to 096)	090	27,941,173	27,540,236
1 Provisions for pensions, termination benefits and similar obligations	091	6,596,098	4,195,444
2 Provisions for tax liabilities	092	0	8,495
3 Provisions for ongoing legal cases	093	670,506	79,154
4 Provisions for renewal of natural resources	094	940,143	940,143
5 Provisions for warranty obligations	095	19,725,986	20,007,616
6 Other provisions	096	8,440	2,309,384
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	38,438,350	48,830,997
1 Liabilities to undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc, of undertakings within the group	099	0	0
3 Liabilities to companies linked by virtue of participating interests	100	0	0
4 Liabilities for loans, deposits etc, of companies linked by virtue of participating interests	101	0	0
5 Liabilities for loans, deposits etc,	102	0	0
6 Liabilities to banks and other financial institutions	103	23,635,118	34,652,198
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	0	0
9 Liabilities for securities	106	1,077,676	864,131
10 Other long-term liabilities	107	10,205,924	9,882,729
11 Deferred tax liability	108	3,519,632	3,431,939
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	484,124,308	488,869,832
1 Liabilities to undertakings within the group	110	0	0
2 Liabilities for loans, deposits, etc, of undertakings within the group	111	0	0
3 Liabilities to companies linked by virtue of participating interests	112	8,239,472	8,435,762
4 Liabilities for loans, deposits etc, of companies linked by virtue of participating interests	113	0	350,600
5 Liabilities for loans, deposits etc,	114	277,957	277,957
6 Liabilities to banks and other financial institutions	115	26,591,583	40,933,329
7 Liabilities for advance payments	116	226,062,127	213,821,695
8 Liabilities to suppliers	117	148,964,023	140,335,786
9 Liabilities for securities	118	267,731	278,441
10 Liabilities to employees	119	17,185,872	19,672,870
11 Taxes, contributions and similar liabilities	120	21,691,344	26,065,466
12 Liabilities arising from the share in the result	121	72,217	8,250,001
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	34,771,982	30,447,925
E) ACCRUALS AND DEFERRED INCOME	124	47,074,579	48,740,692
F) TOTAL - LIABILITIES (ADP 067+090+097+109+124)	125	1,247,631,630	1,365,762,586
G) OFF-BALANCE SHEET ITEMS	126	1,232,267,421	1,334,971,276

STATEMENT OF PROFIT OR LOSS for the period 1.1.2025 to 30.6.2025

Submitter: KONČAR Inc.									
ltem	AOP code	Same period o		Current	period				
		Cumulative	Quarter	Cumulative	Quarter				
1	2	3	4	5	6				
I OPERATING INCOME (ADP 002 to 006)	001	486,324,330	273,781,798	643,304,582	333,091,670				
1 Income from sales with undertakings within the group	002	0	0	0	0				
2 Income from sales (outside group)	003	478,692,610	268,657,698	636,749,647	330,599,846				
3 Income from the use of own products, goods and services	004	0	0	0	0				
4 Other operating income with undertakings within the group	005	0	0	0	0				
5 Other operating income (outside the group)	006	7,631,720	5,124,100	6,554,935	2,491,824				
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	406,911,937	224,349,028	516,765,016	269,563,539				
1 Changes in inventories of work in progress and finished goods	008	-7,490,832	4,564,857	-2,943,914	2,895,573				
2 Material costs (ADP 010 to 012)	009	291,025,899	153,597,725	363,583,307	182,611,445				
a) Costs of raw materials and consumables	010	219,448,673	111,340,450	272,877,313	133,935,778				
b) Costs of goods sold	011	19,370,203	11,421,517	22,015,982	9,927,754				
c) Other external costs	012	52,207,023	30,835,758	68,690,012	38,747,913				
3 Staff costs (ADP 014 to 016)	013	84,537,089	45,057,251	108,015,520	57,029,135				
a) Net salaries and wages	014	53,244,994	28,283,285	68,841,460	36,411,070				
b) Tax and contributions from salary costs	015	21,030,720	11,442,362	26,180,139	13,776,081				
c) Contributions on salaries	016	10,261,375	5,331,604	12,993,921	6,841,984				
4 Depreciation	017	11,129,868	6,227,195	12,979,872	6,442,021				
5 Other costs	018	26,452,984	14,180,684	34,416,256	19,982,816				
6 Value adjustments (ADP 020+021)	019	240,943	172,163	-8,307	-12,257				
a) fixed assets other than financial assets	020	15,689	6,548	1,293	777				
b) current assets other than financial assets	021	225,254	165,615	-9,600	-13,034				
7 Provisions (ADP 023 to 028)	022	0	0	-1,017,668	-428,627				
a) Provisions for pensions, termination benefits and similar obligations	023	0	0	-368,513	-123,450				
b) Provisions for tax liabilities	024	0	0	0	0				
c) Provisions for ongoing legal cases	025	0	0	1,660	43				
d) Provisions for renewal of natural resources	026	0	0	0	0				
e) Provisions for warranty obligations	027	0	0	27,890	280,561				
f) Other provisions	028	0	0	-678,705	-585,781				
8 Other operating expenses	029	1,015,986	549,153	1,739,950	1,043,433				
III FINANCIAL INCOME (ADP 031 to 040)	030	2,636,325	1,391,630	2,147,046	831,705				
1 Income from investments in holdings (shares) of undertakings within the group	031	0	0	0	0				
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032	0	0	0	0				
3 Income from other long-term financial investment and loans granted to undertakings within the group	033	0	0	0	0				
4 Other interest income from operations with undertakings within the group	034	0	0	0	0				
5 Exchange rate differences and other financial income from operations with undertakings within the grou	035	0	0	0	0				
6 Income from other long-term financial investments and loans	036	41,931	41,931	173,972	173,972				
7 Other interest income	037	2,316,255	1,249,584	1,680,091	890,277				
8 Exchange rate differences and other financial income	038	0	0	0	-376,690				
9 Unrealised gains (income) from financial assets	039	128,971	26,329	182,673	64,651				
10 Other financial income	040	149,168	73,786	110,310	79,495				
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	2,619,691	1,260,381	2,419,333	1,885,705				
1 Interest expenses and similar expenses with undertakings within the group	042	0	0	0	0				
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	0	0	0	0				

STATEMENT OF PROFIT OR LOSS for the period 1.1.2025 to 30.6.2025

16-	AOP	Same period o		Current	period
ltem	code	Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
3 Interest expenses and similar expenses	044	2,050,142	1,147,428	1,122,720	589,092
4 Exchange rate differences and other expenses	045	562,881	112,897	991,115	991,115
5 Unrealised losses (expenses) from financial assets	046	0	0	134,825	134,825
6 Value adjustments of financial assets (net)	047	0	0	0	(
7 Other financial expenses	048	6,668	56	170,673	170,673
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VRITUE OF PARTICIPATING INTERESTS	049	8,373,972	4,514,756	22,873,906	11,603,906
VI SHARE IN PROFIT FROM JOINT VENTURES	050	556,907	556,907	491,330	290,184
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	051	0	0	0	(
VIII SHARE IN LOSS OF JOINT VENTURES	052	9,668	1,893	18,993	9,505
IX TOTAL INCOME (ADP 001+030+049 +050)	053	497,891,534	280,245,091	668,816,864	345,817,465
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	409,541,296	225,611,302	519,203,342	271,458,749
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	88,350,238	54,633,789	149,613,522	74,358,716
1 Pre-tax profit (ADP 053-054)	056	88,350,238	54,633,789	149,613,522	74,358,716
2 Pre-tax loss (ADP 054-053)	057	0	0	0	(
XII INCOME TAX	058	14,557,801	9,243,082	20,371,163	10,198,819
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	73,792,437	45,390,707	129,242,359	64,159,89
1 Profit for the period (ADP 055-059)	060	73,792,437	45,390,707	129,242,359	64,159,89
2 Loss for the period (ADP 059-055)	061	0	0	0	(
DISCONTINUED OPERATIONS (to be filled in by undertakings subj	ect to IFR	S only with discon	tinued operation	s)	
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)	062	0	0	0	(
1 Pre-tax profit from discontinued operations	063	0	0	0	(
2 Pre-tax loss on discontinued operations	064	0	0	0	
XV INCOME TAX OF DISCONTINUED OPERATIONS	065	0	0	0	
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0	0	
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0	0	
TOTAL OPERATIONS (to be filled in only by undertakings subject	o IFRS wi	th discontinued op	perations)		
XVI PRE-TAX PROFIT OR LOSS (ADP 055+062)	068	0	0	0	
1 Pre-tax profit (ADP 068)	069	0	0	0	
2 Pre-tax loss (ADP 068)	070	0	0	0	
XVII INCOME TAX (ADP 058+065)	071	0	0	0	
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072	0	0	0	(
1 Profit for the period (ADP 068-071)	073	0	0	0	
2 Loss for the period (ADP 071-068)	074	0	0	0	(
APPENDIX to the P&L (to be filled in by undertakings that draw $oldsymbol{u}$	consolid	lated annual finan	cial statements)		
XIX PROFIT OR LOSS FOR THE PERIOD (AOP 076+077)	075	73,792,437	45,390,707	129,242,359	64,159,89
1 Attributable to owners of the parent	076	41,364,687	25,857,266	86,378,503	42,452,02
2 Attributable to minority (non-controlling) interest	077	32,427,750	19,533,441	42,863,856	21,707,87
STATEMENT OF OTHER COMPRHENSIVE INCOME (to be filled in b	y underta	kings subject to IF	RS)		
PROFIT OR LOSS FOR THE PERIOD	078	73,792,437	45,390,707	129,242,359	64,159,89
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	079	1,271,129	964,087	248,779	-339,06
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	080	0	0	0	
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	0	0	

STATEMENT OF PROFIT OR LOSS for the period 1.1.2025 to 30.6.2025

Submitter: KONČAR Inc.						
Item	AOP	Same period o		Current period		
	code	Cumulative	Quarter	Cumulative	Quarter	
1	2	3	4	5	6	
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082	0	0	0		
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	083	0	0	0		
4 Actuarial gains/losses on the defined benefit obligation	084	0	0	0		
5 Other items that will not be reclassified	085	0	0	0		
6 Income tax relating to items that will not be reclassified	086	0	0	0		
IV Items that may be reclassified to profit or loss (ADP 088 to 095)	087	1,271,129	964,087	248,779	-339,06	
1 Exchange rate differences from translation of foreign operations	088	1,271,129	964,087	248,779	-339,06	
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089	0	0	0		
3 Profit or loss arising from effective cash flow hedging	090	0	0	0		
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091	0	0	0		
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092	0	0	0		
6 Changes in fair value of the time value of option	093	0	0	0		
7 Changes in fair value of forward elements of forward contracts	094	0	0	0		
8 Other items that may be reclassified to profit or loss	095	0	0	0		
9 Income tax relating to items that may be reclassified to profit or loss	096	0	0	0		
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087- 086 - 096)	097	1,271,129	964,087	248,779	-339,06	
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	75,063,566	46,354,794	129,491,138	63,820,83	
APPENDIX to the Statement on comprehensive income (to be fille	d in by un	dertakings that d	raw up consolida	ted statements)		
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)	099	75,063,566	46,354,794	129,491,138	63,820,83	
1 Attributable to owners of the parent	100	42,034,953	26,365,629	86,509,696	42,273,21	
2 Attributable to minority (non-controlling) interest	101	33,028,613	19,989,165	42,981,442	21,547,61	

STATEMENT OF CASH FLOWS - direct method for the period 1.1.2025 to 30.6.2025

Submitter: KONČAR Inc.			
item	AOP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Cash receipts from customers	001	498,923,399	635,890,827
2 Cash receipts from royalties, fees, commissions and other revenue	002	4,695	44,278
3 Cash receipts from insurance premiums	003	321,022	664,413
4 Cash receipts from tax refund	004	19,728,766	21,378,673
5 Other cash receipts from operating activities	005	4,959,161	9,274,185
Total cash receipts from operating activities (ADP 001 to 005)	006	523,937,043	667,252,376
1 Cash payments to suppliers	007	-325,192,139	-431,224,526
2 Cash payments to employees	008	-89,536,284	-115,137,386
3 Cash payments for insurance premiums	009	-2,028,702	-1,954,349
4 Interest paid	010	-1,098,476	-809,293
5 Income tax paid	011	-17,407,108	-13,560,488
6 Other cash payments from operating activities	012	-25,069,130	-32,390,958
II Total cash payments from operating activities (ADP 007 to 012)	013	-460,331,839	-595,077,000
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 006 + 013)	014	63,605,204	72,175,376
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	015	160,419	1,335,404
2 Cash receipts from sales of financial instruments	016	0	25,000,000
3 Interest received	017	2,756,405	1,244,043
4 Dividends received	018	8,123,800	21,393,358
5 Cash receipts from the repayment of loans and deposits	019	4,353,678	21,253,239
6 Other cash receipts from investment activities	020	40,066	7,680
III Total cash receipts from investment activities (ADP 015 to 020)	021	15,434,368	70,233,724
1 Cash payments for the purchase of fixed tangible and intangible assets	022	-18,406,916	-34,080,615
2 Cash payments for the acquisition of financial instruments	023	-6,196,267	-30,958,626
3 Cash payments for loans and deposits	024	-13,514,739	-47,990,974
4 Acquisition of a subsidiary, net of cash acquired	025	0	(
5 Other cash payments from investment activities	026	-32,002,334	(
IV Total cash payments from investment activities (ADP 022 to 026)	027	-70,120,256	-113,030,215
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 021 + 027)	028	-54,685,888	-42,796,491
Cash flow from financing activities	1		
1 Cash receipts from the increase in initial (subscribed) capital	029	0	C
2 Cash receipts the from issue of equity financial instruments and debt financial instruments	030	0	0
3 Cash receipts from credit principals, loans and other borrowings	031	25,392,503	42,423,030
4 Other cash receipts from financing activities	032	352,313	329,606
V Total cash receipts from financing activities (ADP 029 to 032)	033	25,744,816	42,752,636
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	034	-19,082,726	-10,385,554
2 Cash payments for dividends	035	-7,732,844	-19,467,072
3 Cash payments for finance lease	036	-800,446	-1,213,685
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capita	037	0	
5 Other cash payments from financing activities	038	-16,472,519	-8,827,432
VI Total cash payments from financing activities (ADP 034 to 038)	039	-44,088,535	-39,893,743
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 033 +039)	040	-18,343,719	2,858,893
1 Unrealised exchange rate differences in respect of cash and cash equivalents	041	-229,944	-186,962
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 014 + 028 + 040 + 041)	042	-9,654,347	32,050,816
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	043	153,823,741	147,964,001
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (042+043)	044	144,169,394	180,014,817

STATEMENT OF CHANGES IN EQUITY for the period from 1.1.2025 to 30.6.2025

									Attributable t	o owners of the	e parent								in EUR
ltem	AOP code	Initial (subscribed) capital	Capital re- serves	Legal reserves	Reserves for treas- ury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Re- valuation reserves	Fair value of fi- nancial assets through other comprehen- sive income (available for sale)	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differ- ences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the busi- ness year	Total at- tributable to owners of the parent	Minority (non- controlling) interest	Total capital and reserves
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 do 6 - 7 + 8 do 17)	19	20 (18+19)
Previous period																			
1 Balance on the first day of the previous business year	01	159,471,379	1,072,189	9,726,616	4,507,291	2,032,193	65,869,433	28,566,415	0	830,229	0	0	0	-205,774	92,084,350	46,328,381	406,218,316	124,755,316	530,973,632
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03) $$	04	159,471,379	1,072,189	9,726,616	4,507,291	2,032,193	65,869,433	28,566,415	0	830,229	0	0	0	-205,774	92,084,350	46,328,381	406,218,316	124,755,316	530,973,632
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	102,600,368	102,600,368	61,752,879	164,353,247
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	251,543	0	0	251,543	186,332	437,875
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net invest- ment in a foreign operation	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre- bankruptcy settlement procedure or from the reinvestment of profit)	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payments from members/shareholders	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	20	0	0	0	0	0	0	0	0	0	0	0	0	0	-6,365,968	0	-6,365,968	-8,457,852	-14,823,820
21 Other distributions and payments to members/shareholders	21	0	987	412,799	1,491,259	-33,643	1,373,900	-2,218,150	0	0	0	0	0	-118,928	-6,304,649	0	-5,329,139	-25,558,575	-30,887,714
22 Transfer to reserves according to the annual schedule	22	0	0	433,269	0	0	0	2,329,636	0	0	0	0	0	0	43,565,476	-46,328,381	0	0	0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	24	159,471,379	1,073,176	10,572,684	5,998,550	1,998,550	67,243,333	28,677,901	0	830,229	0	0	0	-73,159	122,979,209	102,600,368	497,375,120	152,678,100	650,053,220
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in b	y undertakings t	hat draw uj	p financial stat	tements in acc	ordance with th	ne IFRS)												
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	25	0	0	0	0	0	0	0	0	0	0	0	0	251,543	0	0	251,543	186,332	437,875
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26	0	0	0	0	0	0	0	0	0	0	0	0	251,543	0	102,600,368	102,851,911	61,939,211	164,791,122
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0	987	846,068	1,491,259	-33,643	1,373,900	111,486	0	0	0	0	0	-118,928	30,894,859	-46,328,381	-11,695,107	-34,016,427	-45,711,534

STATEMENT OF CHANGES IN EQUITY for the period from 1.1.2025 to 30.6.2025

		1																	in EUR
									Attributable t	o owners of the	e parent								
ltem	AOP code	Initial (subscribed) capital	Capital re- serves	Legal reserves	Reserves for treas- ury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Re- valuation reserves	Fair value of fi- nancial assets through other comprehen- sive income (available for sale)	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differ- ences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the busi- ness year	Total at- tributable to owners of the parent	Minority (non- controlling) interest	Total capital and reserves
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 do 6 - 7 + 8 do 17)	19	20 (18+19)
Current period																			
1 Balance on the first day of the previous business year	28	159,471,379	1,073,176	10,572,684	5,998,550	1,998,550	67,243,333	28,677,901	0	830,229	0	0	0	-73,159	122,979,209	102,600,368	497,375,120	152,678,100	650,053,220
2 Changes in accounting policies	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 28 to 30)	31	159,471,379	1,073,176	10,572,684	5,998,550	1,998,550	67,243,333	28,677,901	0	830,229	0	0	0	-73,159	122,979,209	102,600,368	497,375,120	152,678,100	650,053,220
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	86,378,503	86,378,503	42,863,856	129,242,359
6 Exchange rate differences from translation of foreign operations	33	0	0	0	0	0	0	0	0	0	0	0	0	131,192	0	0	131,192	117,587	248,779
7 Changes in revaluation reserves of fixed tangible and intangible assets	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net invest- ment in a foreign operation	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre- bankruptcy settlement procedure or from the reinvestment of profit)	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payments from members/shareholders	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	47	0	0	0	0	0	0	0	0		0	0	0	0	-7,641,705	0	-7,641,705	-20,014,844	-27,656,549
21 Other distributions and payments to members/shareholders	48	0	0	20	-33,328	-33,328	177	-331,444	0	72	0		0	0	512,937	0	181,762	-288,742	-106,980
22 Transfer to reserves according to the annual schedule	49	0	0	198,292	0	0	0	4,283,346	0	0	0	0	0	0	98,118,730	-102,600,368	0	0	0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 Balance on the last day of the previous business year reporting period (ADP 31 to 50)	51	159,471,379	1,073,176	10,770,996	5,965,222	1,965,222	67,243,510	32,629,803	0	830,301	0	0	0	58,033	213,969,171	86,378,503	576,424,872	175,355,957	751,780,829
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in b	y undertakings t	hat draw u	p financial stat	tements in acco	ordance with th	ne IFRS)												
I OTHER COMPREHENSIVE INCOME OF THE CURRENT PERIOD, NET OF TAX (ADP 33 to 41)	52	0	0	0	0	0	0	0	0	0	0	0	0	131,192	0	0	131,192	117,587	248,779
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 to 52)	53	0	0	0	0	0	0	0	0	0	0	0	0	131,192	0	86,378,503	86,509,695	42,981,443	129,491,138
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	0	0	198,312	-33,328	-33,328	177	3,951,902	0	72	0	0	0	0	90,989,962	-102,600,368	-7,459,943	-20,303,586	-27,763,529

NOTES TO THE FINANCIAL STATEMENTS

Name of issuer: KONČAR Inc.

PIN: 45050126417

Reporting period: 1 January 2025 to 30 June 2025

1. GENERAL INFORMATION

Business Activities

The core business activities of KONČAR Group (hereinafter: "the Group") are:

- Power generation,
- Power transmission and distribution,
- Urban mobility and infrastructure
- Digital solutions and platforms

Group structure

In addition to the Parent Company, the Group consists of 16 subsidiaries operating in core business activities, 1 subsidiary engaged in special activities (product research and development), subsidiaries controlled by other subsidiaries, one associate company, and subsidiaries of associated companies.

The Parent Company of the Group is KONČAR Inc. (PIN: 45050126417), located at Fallerovo šetalište 22, Zagreb (hereinafter: the "Company").

The Company is engaged in architectural activities, engineering, and related technical consulting services, energy distribution, maintenance services, and management of its subsidiaries.

Number of employees

As of 30 June 2025, the Group had 5,730 employees, compared to 5,503 employees as of 31 December 2024.

The average number of employees for the period January - June 2025 was 5,613 (compared to 5,342 in the same period in 2024).

2. Basis of preparation and accounting policies

Basis of preparation

The consolidated financial statements for the period January - June 2025 have been prepared in accordance with International Accounting Standard (IAS) 34 - Interim Financial Reporting, as adopted by the European Union (EU).

The consolidated financial statements do not include all disclosures required for the full set of annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements as of 31 December 2024. The annual consolidated financial statements of the Group are prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU.

The annual consolidated financial statements of the Group are available on the official websites of: Zagreb Stock Exchange (www. zse.hr), Croatian Financial Services Supervisory Agency (www.hanfa.hr), and the Company (www.koncar.hr).

Going concern assumption

The Management Board believes that the Group has sufficient resources to continue operations in the foreseeable future and has not identified any significant uncertainties related to business events or conditions that may cast doubt on the Group's ability to continue as a going concern.

Significant accounting policies

The consolidated financial statements for the period January – June 2025 have been prepared using the same accounting policies, presentation, and calculation methods applied in the preparation of the Group's annual consolidated financial statements as of 31 December 2024.

Key accounting estimates

In preparing the consolidated financial statements, the Management Board applied judgments and estimates that impact the application of accounting policies and the recognized amounts of assets, liabilities, revenues, and expenses. By definition, accounting estimates rarely correspond exactly to actual results. Key accounting estimates remain unchanged from those described in the most recent annual financial statements.

Seasonal effects

The Group is not exposed to significant seasonal or cyclical changes in its business operations.

3. SUBSIDIARIES

		30 June 2025		31 Decem	ber 2024
			Effective		Effective
	Country	Voting rights	share of the	Voting rights	share of the
		(%)	Group	(%)	Group
Consolidated subsidiaries registered in Croatia:					
KONČAR – Motors and Electrical Systems Ltd. for manufacturing and services	Croatia	100.00	100.00	100.00	100.00
Telenerg – Engineering Ltd. for design and production, Zagreb	Croatia	100.00	100.00	100.00	100.00
INK PROJEKT Ltd. for construction and services, Zagreb	Croatia	100.00	100.00	100.00	100.00
KONČAR – Electrical Engineering Institute Ltd. for research, development and services, Zagreb	Croatia	100.00	100.00	100.00	100.00
KONČAR – Generators and Motors Ltd. for manufacturing, Zagreb	Croatia	100.00	100.00	100.00	100.00
KONČAR – Metal Structures Ltd. for manufacturing, Zagreb	Croatia	100.00	100.00	100.00	100.00
KONČAR – Switchgear Ltd. for manufacturing, Zagreb	Croatia	100.00	100.00	100.00	100.00
KONČAR – Renewable Energy Sources Ltd., Zagreb	Croatia	100.00	100.00	100.00	100.00
Wind Farm Rust Ltd. for electricity production, Zagreb	Croatia	100.00	100.00	100.00	100.00
Solar Power Plant Deponija Fosfogipsa Ltd. for manufacturing, trade and services, Zagreb	Croatia	51.00	51.00	51.00	51.00
Liburnia Solar Ltd. for electricity production, Zagreb	Croatia	76.00	76.00	76.00	76.00
South East Energy Ltd. for services, Zagreb	Croatia	91.20	91.20	75.20	75.20
Energy Park Pometeno Brdo Ltd. for production, Zagreb	Croatia	100.00	100.00	100.00	100.00
KONČAR – Electric Vehicles Inc. for manufacturing, Zagreb	Bulgaria	84.74	84.74	84.73	84.73
Konell Ltd., Sofia, Bulgaria*	Croatia	85.00	72.03	85.00	72.02
KONČAR – Electronics and Informatics Ltd. for manufacturing					
and services, Zagreb	Croatia	100.00	100.00	100.00	100.00
ENAKON MOBILITY Ltd. for services, Zagreb	Croatia	100.00	100.00	100.00	100.00
KONČAR – Instrument Transformers Inc. for manufacturing, Zagreb	Croatia	99.77	99.77	99.77	99.77
KONČAR – Distribution and Special Transformers Inc. for manufacturing, Zagreb	Croatia	67.90	67.90	67.90	67.90
FEROKOTAO Ltd. for the manufacturing of transformer					
tanks and other metal components, Donji Kraljevec	Croatia	51.00	34.63	51.00	34.63
Power Engineering Transformatory Sp. z o.o. (PET), Poznan, Poland	Poland	100.00	67.90	100.00	67.90
KONČAR – Digital Ltd. for digital services, Zagreb	Croatia	100.00	100.00	100.00	100.00
KONČAR – Systems Integration Ltd. for manufacturing and trade, Zagreb	Croatia	75.00	75.00	75.00	75.00
ADNET Ltd. for engineering, manufacturing and trade, Zagreb**	Croatia	38.00	38.00	26.00	26.00
KREANCA SUSTAVI Ltd. for business and management consulting, Zagreb	Croatia	76.00	76.00	52.00	52.00
ADNET Ltd. for engineering, manufacturing and trade, Zagreb**	Croatia	50.00	38.00	50.00	26.00
KONČAR – Transformer Tanks Ltd. for manufacturing, Sesvete (City of Zagreb)	Croatia	60.00	60.00	100.00	100.00
KONČAR – Hydro Turbine Ltd. for manufacturing and services	Croatia	100.00	100.00	100.00	100.00
Dalekovod Inc., Zagreb	Croatia	75.16	75.16	75.16	75.16
DALEKOVOD MK Ltd., Velika Gorica	Croatia	100.00	75.16	100.00	75.16
DALEKOVOD OSO Ltd., Velika Gorica	Croatia	100.00	75.16	100.00	75.16
Dalekovod Projekt Ltd., Zagreb	Croatia	100.00	75.16	100.00	75.16
Dalekovod EMU Ltd., Vela Luka	Croatia	100.00	75.16	100.00	75.16 75.16
Dalekovod Mostar Ltd., Mostar, BIH	B&H	100.00	75.16	100.00	75.16
Dalekovod Ljubljana Ltd., Ljubljana, Slovenia	Slovenia	100.00	75.16	100.00	75.16
Dalekovod Norge as, Oslo, Norway	Norway	100.00	75.16	100.00	75.16
Dalekovod Ukraine Ltd., Kiev, Ukraine	Ukraine	100.00	75.16	100.00	75.16

^{*} The company is not consolidated due to immateriality.

^{**} Although the Group acquired control with 76% of the ownership stake in Adnet Ltd. and 76% in Kreanca Sustavi Ltd. by 30 June 2025, the Group does not recognize a minority interest in these companies since the agreement for the acquisition of Adnet Ltd. and Kreanca Sustavi Ltd. specified two call options, i.e. the right of the acquirer to exercise the call option in the years of the transaction, for which management assessed a high probability of exercise

For certain subsidiaries, the Group holds control through the majority of voting rights. However, the ownership interest in these subsidiaries does not correspond to the voting rights because some of these entities have preferred shares that carry the same rights as ordinary shares, except for voting rights. The ownership interests in these subsidiaries are as follows:

	30 June 2025	31 December 2024
	Ownership share (%)	Ownership share (%)
KONČAR – Instrument Transformers Inc. for manufacturing, Zagreb	61.97	61.97
KONČAR – Distribution and Special Transformers Inc. for manufacturing, Zagreb	52.73	52.73

4. SEGMENT REPORTING

For management purposes, the Group is organised in business units based on the similarity in the nature of individual product groups and has therefore identified the following reportable segments: The reportable segments of the Group are as follows:

- Power generation manufacturing and revitalisation of generators, construction and revitalisation of hydroelectric power plants (HPPs), construction of solar power plants, manufacturing of converters, manufacturing and installation of wind turbines, management, maintenance, and servicing
- Power transmission and distribution comprehensive solutions for high- and medium-voltage electricity infrastructure, including the production and sale of power, distribution, special-purpose and instrument transformers; overhead lines; turnkey substations; transformer tanks; primary and secondary equipment for grid applications; low-voltage switchgear; condition monitoring systems; diagnostics; testing; and technical supervision
- Urban mobility and infrastructure –design, manufacture, and maintenance of rail vehicles (e.g., trains, trams); development of railway infrastructure and urban infrastructure solutions including roads, lighting, and other public assets
- Digital solutions and platforms digital solutions, digital services, product and production digitalisation, business support systems, ICT infrastructure and services.

The reportable segments form an integral part of the internal financial reports, which are regularly reviewed by the Company's Management Board – the chief decision-making body – to assess performance and make business decisions.

The 'Other' category includes real estate leasing activities (not related to the Group's core business) and certain small-scale production of motors and electrical machines, which does not qualify as a separate business segment.

Revenue by Segment

The following is an analysis of the Group's revenue by reportable segment, presented in accordance with IFRS 8 – Operating segments.

	1 January 2025	1 January 2024
_	to 30 June 2025 EUR' 000	to 30 June 2024 EUR' 000
Power generation	44,197	36,450
- Hydro	36,432	26,632
- Renewable energy sources	7,764	9,819
Power transmission and distribution	528,691	394,536
- Transmission	189,788	132,810
- Distribution	338,903	261,726
Urban mobility and infrastructure	81,753	54,995
- Mobility	50,651	37,047
- Infrastructure	31,102	17,948
Digital solutions and platforms	17,940	11,323
Total reportable segments	672,580	497,304
Other	28,416	25,260
Total revenue from contracts with customers	700,996	522,564
Intercompany eliminations	(64,247)	(43,871)
Revenue from contracts with customers	636,750	478,693
Associate companies	8,335	5,955
Unaffiliated companies	628,414	472,738
Total revenue from contracts with customers	636,750	478,693

5. OTHER OPERATING INCOME

Other operating income amounts to EUR 6.56 million (1 Jan - 30 Jun 2024: EUR 7.63 million) and includes: Income from asset disposals, government grants, compensation for damages, and other miscellaneous income.

6. CAPITALISED SALARY COSTS

During the period 1 January - 30 June 2025, the Group capitalized wages and salaries totaling EUR 808 thousand (1 Jan - 30 Jun 2024: EUR 1.491 thousand), of which EUR 517 thousand relates to net salaries (1 Jan - 30 Jun 2024: EUR 890 thousand), EUR 179 thousand to taxes, surtaxes, and payroll contributions (1 Jan – 30 Jun 2024: EUR 400 thousand), and EUR 112 thousand to employer contributions (1 Jan – 30 Jun 2024: EUR 201 thousand).

7. EARNINGS PER SHARE

	1 January 2025 to 30 June 2025	1 January 2024 to 30 June 2024
Net profit attributable to the owners of the Parent Company (EUR'000)	86,379	41,365
Weighted average number of shares	2,547,170	2,546,387
Basic and diluted earnings per share (EUR)	33.91	16.24

8. NON-CURRENT TANGIBLE AND INTANGIBLE ASSETS

During the period 1 January – 30 June 2025, the Group acquired assets totaling EUR 40,457 thousand (1 Jan – 30 June 2024: EUR 13,620 thousand). Depreciation expense for the period 1 January - 30 June 2025 amounted to EUR 12,980 thousand (1 January -- 30 Jun 2024: EUR 11,130 thousand).

9. INVENTORIES

During the period 1 January - 30 June 2025, the Group recognized a value adjustment of inventories in the amount of EUR 3 thousand (1 Jan – 30 Juner 2024: EUR 202 thousand).

10. EQUITY AND RESERVES

The share capital (subscribed capital) is determined at a nominal value of EUR 159,471,378 (as of 31 December 2024: EUR 159.471.378) and consists of 2.572.119 shares, each with a nominal value of EUR 62. The Company's ordinary shares are listed on the Official Market of the Zagreb Stock Exchange under the ticker KOEI-R-A. As of 30 June 2025, the Company holds 24,884 treasury shares (31 December 2024: 25,306 treasury shares).

11. LOAN LIABILITIES

	30 June 2025 EUR'000	31 December 2024 EUR' 000
Loan liabilities		
Non-current	34,652	23,635
Current	40,933	26,592
	75,585	50,227

Bank loans are secured by mortgages on real estate and pledges on movable assets. The current fair value of mortgaged real estate amounts to EUR 26,214 thousand, while the fair value of pledged movable assets amounts to EUR 6,188 thousand.

The maturity profile of loan repayments is as follows:	30 June 2025 EUR' 000
Within one year	40,933
In 1 to 2 years	10,383
In 2 to 5 years	14,351
More than 5 years	9,918
	75,585

12. RELATED PARTY TRANSACTIONS

Entities are considered related parties if one party has control over another, if they are under joint control, or if one party has a significant influence over the business of the other. The Republic of Croatia holds a significant ownership stake in the Group and other entities controlled by or under the significant influence of the Republic of Croatia. Accordingly, the Group has transactions with state institutions and other entities under majority state ownership or influence. For the purpose of disclosing related party transactions, the Group does not consider routine transactions (such as tax payments, levies, and similar transactions) with local municipal companies (either directly or indirectly state-owned) or other state bodies as related party transactions. The most significant related party transactions with state-owned enterprises relate to electricity and thermal energy supply and similar services. Excluding these routine transactions, the Group's revenue from sales to state institutions and other entities under majority state ownership or influence amounted to EUR 122.9 million for the period 1 January – 30 June 2025 (1 Jan – 30 Jun 2024: EUR 81.4 million), with the majority derived from engineering services, rail vehicles, and industrial electronics.

2025	Trade and other receivables 30 June 2025	Liabilities 30 June 2025 EUR' 000	Revenues 1 January 2025 to 30 June 2025 EUR' 000	Expenses 1 January 2025 to 30 June 2025 EUR' 000
Business activities				
Associated companies	2,862	8,315	6,635	8,780
Joint ventures	540	121	1,700	1,223
Total operating activities	3,402	8,436	8,335	10,003
Financial activities				
Associated companies	0	0	0	0
Joint ventures	6,031	0	113	0
Total financial activities	6,031	0	113	0
2024	Trade and other receivables 31 December 2024 EUR' 000	Liabilities 31 December 2024 EUR' 000	Revenues 1 January 2024 to 30 June 2024 EUR' 000	Expenses 1 January 2024 to 30 June 2024 EUR' 000
2024 Business activities	other receivables 31 December 2024	31 December 2024	1 January 2024 to 30 June 2024	1 January 2024 to 30 June 2024
	other receivables 31 December 2024	31 December 2024	1 January 2024 to 30 June 2024	1 January 2024 to 30 June 2024
Business activities	other receivables 31 December 2024 EUR' 000	31 December 2024 EUR' 000	1 January 2024 to 30 June 2024 EUR' 000	1 January 2024 to 30 June 2024 EUR' 000
Business activities Associated companies	other receivables 31 December 2024 EUR' 000	31 December 2024 EUR' 000	1 January 2024 to 30 June 2024 EUR' 000	1 January 2024 to 30 June 2024 EUR' 000
Business activities Associated companies Joint ventures	other receivables 31 December 2024 EUR' 000	31 December 2024 EUR' 000 7,779 460	1 January 2024 to 30 June 2024 EUR' 000 2,848 3,107	1 January 2024 to 30 June 2024 EUR' 000 7,230
Business activities Associated companies Joint ventures Total operating activities	other receivables 31 December 2024 EUR' 000	31 December 2024 EUR' 000 7,779 460	1 January 2024 to 30 June 2024 EUR' 000 2,848 3,107	1 January 2024 to 30 June 2024 EUR' 000 7,230
Business activities Associated companies Joint ventures Total operating activities Financial activities	other receivables 31 December 2024 EUR' 000 22,887 1,278 24,165	31 December 2024 EUR' 000 7,779 460 8,239	1 January 2024 to 30 June 2024 EUR' 000 2,848 3,107 5,955	1 January 2024 to 30 June 2024 EUR' 000 7,230 7 7,237

13. EVENTS AFTER THE BALANCE SHEET DATE

The Competition Council of the Republic of Croatia has reviewed the complete notification of an intended concentration of the undertaking KONČAR Inc. over the HELB Ltd. and confirmed at the meeting held on July 9, 2025, that the concentration, in accordance with Article 22, paragraph 1 of the Competition Act, is considered permissible at level 1. This fulfills one of the preconditions according to the Sale and Purchase Agreement which defined the terms and legal actions that the contracting parties are obliged to fulfill for the conclusion of the transaction and the acquisition of ownership shares by the company KONČAR Inc.

After the reporting date, until the date of approval of the financial statements, there were no events that would have a significant impact on the Group's consolidated financial statements for the period January - June 2025, which should be published.

C Management's Statement of Responsibility

The consolidated financial statements of the KONČAR Group are prepared in accordance with International Financial Reporting Standards (IFRS) and the Croatian Accounting Act.

The consolidated financial statements of the KONČAR Group for the period from 1 January to 30 June 2025 present a true and fair view of the assets and liabilities, profit and loss, financial position and operations of the issuer and the companies included in the consolidation, considered as a whole.

The Management Report for the period up to 30 June 2025 contains a true and fair presentation of the Company's operating results.

On behalf of the Board, signed by:

Gordan Kolak, MSc. Eng. President of the Management Board

Mario Radaković, CFA Member of the Management Board in charge of Finance

Zagreb, 30 July 2025

KONČAR

Fallerovo šetalište 22 10000 Zagreb, Croatia phone: +385 1 3655 555 e-mail: marketing@koncar.hr, ir@koncar.hr